3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

not applicable to owners of factories with extra-territorial privileges, to American, British, or Japanese owners.

The attitude of the Shanghai Municipal Council toward labour organisation was not specifically formulated. While a procedure of registration of organisations with the Special Branch of the Municipal Police as a means of crime prevention was instituted as an emergency measure after the 1937 hostilities, the registration of workers' groups was not encouraged.[3]

As stated elsewhere, industry in the past did not pay adequate wages, many workers being employed at remuneration insufficient to meet the needs of a family.[4] There was no effective legal instrument for enforcement of minimum wage standards, but mediation procedure frequently was useful in achieving earnings adjustments. When a dispute occurred a first step was to request from the management the wage sheet of the preceding month, together, if possible, with the wage sheet of the corresponding month in 1936. It was then possible to find the actual earnings indices, and to compute real wage indices, so that the spending power of earnings became apparent. These earnings were further compared with the minimum subsistence costs regularly published monthly by the Division. By these two procedures the parties became aware of the actual wage situation, and efforts were exerted to have adjustments made so as to meet as nearly as possible the published figures.

An important instrument to further betterment of conditions was the signing of a collective agreement to which factory managements, workers' representatives, and the Division, were parties. A written agreement is better than verbal promises. Moreover, being an agreement to which the parties had voluntarily agreed, it had the moral force of a contract.

The agreements covered a wide range of conditions of employment including wage increases, allowances of various kinds, provision of annual bonus and profit sharing, provision of hospital

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of their affiliation with the labour union . . . shall not make it a condition of employment that the worker shall not take charge of any business of the union or that he shall not enter a union or that he shall withdraw from the union." Translation by Koo Ping Yuen, *Chinese Labor Laws*, second edition, Commercial Press, Shanghai, 1935.

[3] See Chapter II.

[4] See Chapter III.

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and medical attention and payment of wages to those injured in the course of duty, limitation of hours of work, provision of direct employment by the management and elimination of employment through contractors. Two clauses frequently inserted gave a continuing influence: provision for mediation by the Division in the event of dispute, undertaking of workers not to declare a strike and of the management not to declare a lockout until mediation had been attempted; and provision that a report be first submitted to the Division in the event of necessity for suspension of work and dismissal of workers due to lack of raw materials, trade depression, or other causes.

The aim of the Division was not merely the settlement of an individual dispute, but to use the contact established between workers and management at the time of mediation to permit the exerting of a continuing influence on the employer-employee relations in the firm or trade involved. Most larger enterprises had factory rules to govern these relations. In as many cases as possible, parties to a dispute were asked to submit the existing rules to the Division. Many changes were subsequently agreed upon which contributed to better conditions of work and sounder employment relations. In the absence of a universally applicable law to control conditions of work, wages, hours of work and other matters in employment relations, such piecemeal handling, factory by factory, trade by trade, proved a useful procedure.

IT CAN BE SAID that, though there was no official encouragement of labour organisation on the part of the Shanghai Municipal Council, and indeed though police discouraged organisation through disallowing registration, there was nevertheless a recognition that workers' group action could not be opposed. The mediation services were undertaken without specific instruction and without specific powers to require that any dispute be submitted to mediation, yet they were in fact a tacit admission on the part of the authorities of the right of group action. In the future when the Settlement comes under the control of the Chinese Government, it is to be presumed that its Labour Union Law will prevail. Under this the right of group action is specifically recognised, though it is hoped that administrative controls over organisation as